

**Regular Meeting of the Board of Directors  
August 20, 2020  
4:00 pm – 6:00 pm, via Zoom teleconference**

If you are using a computer to join the meeting please click [this link](https://us02web.zoom.us/j/89675733636)<sup>1</sup>. A computer video camera is not required to participate. If you do not have access to a computer or internet during this meeting, or if your computer does not have audio, you can call in by phone: (669) 900-6833 and enter the meeting ID 896 7573 3636 when prompted. If participating by phone only, you will not be able to see presentations or other participants. The teleconference will begin 10 minutes before the meeting is scheduled to begin for those who may need assistance or orientation to the technology.

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| <b>1. Call to Order</b>  |
| <b>2. Approval of Agenda</b>   |
| <b>3. Introduction of Guests and Staff</b>   |
| <b>4. Public Comment-</b> The Board will hear comments on items that are not on the agenda. The Board cannot act on an item unless it is an emergency as defined under Government Code Sec. 54954.2.   |
| <b>5. Consent Agenda</b><br>The Board of Directors approves: <ul style="list-style-type: none"> <li>5.1. <a href="#">June 18, 2020 Draft Regular Meeting Minutes</a></li> <li>5.2. <a href="#">Fiscal Year 2019 Draft Audited Financials</a></li> <li>5.3. <a href="#">Fiscal Year 2020 Draft Financials</a></li> </ul> The Board of Directors receives into record: <ul style="list-style-type: none"> <li>5.4. <a href="#">Notice of Determination of Exemption from Environmental Review for Mindogo Creek Fish Passage Project</a></li> <li>5.5. <a href="#">National Association of Conservation Districts Announces Winner of Coasts Campaign Raffle</a></li> <li>5.6. <a href="#">August 7, 2020 RCD letter providing comments on Draft Land Use Plan Regarding Monarch Butterfly Habitat</a></li> <li>5.7. <a href="#">August 12, 2020 Half Moon Bay Review article: RCD repairing stream crossing in Pescadero Creek Park</a></li> </ul>  |
| <b>6. Regular Agenda</b> <ul style="list-style-type: none"> <li>6.1. <a href="#">Board will consider Resolution 2020-5: Authorizing Submittal of Applications for All CalRecycle Grants for which the RCD is Eligible</a></li> <li>6.2. <a href="#">Board will consider Resolution 2020-6: Recognizing the service of director Neal Kramer</a></li> <li>6.3. <a href="#">Board will consider contracting with Triangle Properties, Inc. for San Bruno Mountain Lower West Peak Restoration Project.</a></li> <li>6.4. <a href="#">Board will consider adopting Environmental Purchasing Policy.</a></li> <li>6.5. <a href="#">Board will consider providing comments on the Circulation Draft of the Municipal Service Review for the San Mateo Resource Conservation District by the Local Areas Formation Commission.</a></li> <li>6.6. Diversity, Equity and Inclusion <ul style="list-style-type: none"> <li>o <a href="#">July 2020: California Association of RCDs letter to its membership.</a></li> <li>o Recognition of parenting staff during COVID-19</li> </ul> </li> <li>6.7. Executive Director's report</li> <li>6.8. NRCS report</li> <li>6.9. Directors' reports</li> </ul> |
| <b>7. Adjourn Meeting</b><br>The next Regular Meeting of the Board of Directors will be September 17, 2020   |

*Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board.*

<sup>1</sup> <https://us02web.zoom.us/j/89675733636>

**Minutes of the Regular Meeting of the Board of Directors  
August 20, 2020  
4:00 pm – 6:00 pm  
via Zoom teleconference**

Directors present: Barbara Kossy, TJ Glauthier, Neal Kramer

RCD staff present: Kellyx Nelson, Lau Hodges, Kasey Butler, Amy Kaeser, Joe Issel, Sheena Sidhu

NRCS staff present: Jim Howard

Guests present: Ron Sturgeon

**1. Call to Order**

Kossy called the meeting to order at 4:02 p.m.

**2. Approval of Agenda**

Board did not take action on this item.

**3. Introductions of Guests and Staff**

No introductions were required.

**4. Public Comment**

There was no public comment.

**5. Consent Agenda**

Glauthier moved to approve the consent agenda, Kramer seconded. Motion passed unanimously.

**6. Regular Agenda**

**6.1 Board will consider Resolution 2020-5: Authorizing Submittal of Applications for All CalRecycle Grants for which the RCD is Eligible**

- Nelson noted the language was provided by the funder.
- **ACTION:** Glauthier moved to approve Resolution 2020-5, Kramer seconded. Motion passed unanimously.

**6.2 Board will consider Resolution 2020-6: Recognizing the service of director Neal Kramer**

- Kramer stated that it had been an honor and a privilege to be involved with the RCD and thanked those present for his gift.
- Directors and staff discussed Kramer's contributions and favorite memories working with him. Many, including staff, thanked him individually.

- **ACTION:** Glauthier moved to approve Resolution 2020-6, Kossy seconded. Motion passed unanimously.

### **6.3 Board will consider contracting with Triangle Properties, Inc. for San Bruno Mountain Lower West Peak Restoration Project.**

- Kramer asked Kaeser why she thought there was only one bid when three contractors showed up for the orientation; Kaeser stated that the estimate had been too low and it was a prevailing wage project which can discourage some bids. Kaeser further noted that a nearby site had not fared well and that had led to an increase in the budget; Glauthier stated it would be helpful to include that information in the memo.
- **ACTION:** Glauthier moved to approve contracting with Triangle Properties, Inc. for San Bruno Mountain Lower West Peak Restoration Project, Kramer seconded. Motion passed unanimously.

### **6.4 Board will consider adopting Environmental Purchasing Policy.**

- Nelson explained that this was a requirement for a grant and was purposefully written to give intention without being overly restrictive.
- Glauthier asked if it was molded after another RCD's policy; Butler explained that the template came from CalRecycle, who is requiring the policy.
- Glauthier encouraged Nelson to share it with California Association of RCDs.
- **ACTION:** Glauthier moved to adopt the Environmental Purchasing Policy, Kramer seconded. Motion passed unanimously.

### **6.5 Board will consider providing comments on the Circulation Draft of the Municipal Service Review for the San Mateo Resource Conservation District by the Local Areas Formation Commission (LAFCo).**

- There was discussion about the opportunity to tell the RCD's story to those who are not familiar with the district; this MSR as a critical if the district wished to expand its boundaries; about the recommendations in the MSR and the RCD's responses; and recommended edits on the draft.
- **ACTION:** Glauthier moved to approve the finalized comments on the Circulation Draft of the Municipal Service Review for the San Mateo Resource Conservation District by the LAFCo, Kramer seconded. Motion passed unanimously.

### **6.6 Diversity, Equity and Inclusion**

- **July 2020: California Association of RCDs (CARCD) letter to its membership.**
  - There was discussion about the statewide conversation about race as well as within the local RCD; reflections on specific phraseology within the CARCD letter as well as its overall intent and purpose.
- **Recognition of parenting staff during COVID-19**
  - Those present acknowledged the difficulty of parenting during COVID-19 including: the feeling of turning our backs on our children, difficulty being

- productive, feeling the need to apologize, wondering if we appear professional.
- Glauthier stated that the RCD staff was doing a good job talking about it. Nelson thanked the Board and noted her appreciation of the RCD staff.

#### **6.7 Executive Director's report (attached below)**

- Glauthier noted how Nelson's report illustrated what a great staff the RCD had.
- Kossy stated that the staff meeting, focused on the CZU Lightning Complex Fire was difficult, authentic and raw but the unifying theme was that people were ready to help.
- Howard noted the importance of compassion and understanding as staff prepared to go out in the field and meet with land managers who had lost everything. He stated his appreciation for the amazing staff.

#### **6.8 NRCS report**

- Howard stated that he had hurried to obligate Farm Bill dollars before the end of the fiscal year and was getting ready to get the NRCS programs up and running for fire recovery.
- Howard said the NRCS Vacaville office had evacuated.
- Nelson informed Howard that there was a real need for his services in the community and a real need for his mentorship as the RCD staff pivoted toward fire recovery.
- Howard noted the RCD had just received a 1-year extension on the contribution agreements and was awarded the water quality planning grant for Pescadero/Butano watershed. Nelson thanked Howard for his help securing that grant.

#### **6.9 Directors' reports**

- Glauthier noted that Fiscal Year 2019 audit was nice and clean and expressed his gratitude to Ryan Charland, the RCDs accountant. He further noted the RCD was in a strong financial position heading into the current uncertainty.
- Kossy had been thinking about people to get involved with the RCD and potentially become Directors.
- Nelson informed the Board that Chelease Beakes would be returning to the RCD, approximately 20 hours a week, working from her new home in Fort Collins, Colorado.
- Kramer showed off his *Botany or Death* shirt that was a parting gift from the RCD and expressed his hope that he would be able to find a way to support the RCD moving forward.

### **7 Adjourn Meeting**

- Kossy adjourned the meeting at 5:46 p.m.

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**

**HALF MOON BAY, CALIFORNIA**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**Table of Contents**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
San Mateo County Resource Conservation District,  
Half Moon Bay, California

### ***Report on Financial Statements***

We have audited the accompanying financial statements of the San Mateo County Resource Conservation District (District) as of year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the San Mateo County Resource Conservation District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this information in accordance with generally accepted auditing standards in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Maze + Associates*

Pleasant Hill, California  
June 12, 2020



San Mateo County Resource Conservation District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2019

San Mateo County Resource Conservation District's (the "District") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's basic financial statements. The MD&A is presented for the year ended June 30, 2019.

#### **Introduction to the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements, which are comprised of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for States and Local Governments. The Single Governmental Program for Special Purpose Governments reporting model is used which best represents the activities of the District.

The required financial statements include the Government-wide and Fund Financial Statements; Statement of Net Position and Governmental Funds Balance Sheet; Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances; and the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - All Governmental Fund Types.

These statements are supported by notes to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

#### **The Basic Financial Statements**

The Basic Financial Statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the District's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the District's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the District's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report the District's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the District's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the District and are presented individually. Major Funds are explained below.

San Mateo County Resource Conservation District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2019

**The Government-wide Financial Statements**

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the District as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities -The District's basic services are considered to be governmental activities. These services are supported by general District revenues such as taxes, and by specific program revenues such as government grants and service charges.

**Fund Financial Statements**

The Fund Financial Statements provide detailed information about each of the District's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually; the District has no Non-major Funds. Major Funds present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities.

In the District's case, the General Fund is the only Major Governmental Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

**Governmental Activities**

|                     | 2019              | 2018              |
|---------------------|-------------------|-------------------|
| <b>Assets</b>       |                   |                   |
| Cash & Investments  | \$ 1,484,276      | \$ 2,074,242      |
| Other Assets        | 3,836,770         | 1,889,914         |
| Total Assets        | <u>5,321,046</u>  | <u>3,964,156</u>  |
| <b>Liabilities</b>  |                   |                   |
| Accounts payable    | 2,085,546         | 664,868           |
| Other Liabilities   | <u>2,166,047</u>  | <u>2,572,540</u>  |
| Total Liabilities   | <u>4,251,593</u>  | <u>3,237,408</u>  |
| <b>Net Position</b> |                   |                   |
| Unrestricted        | 869,453           | 726,748           |
| Total Net Position  | <u>\$ 869,453</u> | <u>\$ 726,748</u> |

The District's net position was \$869,453 for the fiscal year ended June 30, 2019.

San Mateo County Resource Conservation District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2019

The following table summarizes the District's change in net position at June 30:

|                                | July 1, 2018<br>through<br>June 30, 2019 | July 1, 2017<br>through<br>June 30, 2018 |
|--------------------------------|--|--|
| <b>Revenues</b>                |  |  |
| Program revenues               |  |  |
| Operating grants and contracts | \$ 7,957,861                             | \$ 3,687,155                             |
| General Revenue                |  |  |
| Taxes and other                | 258,653                                  | 229,620                                  |
| Total Revenues                 | <u>8,216,514</u>                         | <u>3,916,775</u>                         |
| Program Expenses               |  |  |
| Resource conservation          | 8,073,809                                | 3,620,644                                |
| Total Expenses                 | <u>8,073,809</u>                         | <u>3,620,644</u>                         |
| Change in Net Position         | <u>\$ 142,705</u>                        | <u>\$ 296,131</u>                        |

#### Government Activities

For the period from July 1, 2018 through June 30, 2019, the total District revenues were \$8,216,514. The total District expenses were \$8,073,809. The difference of \$142,705 is the increase in net position bringing the total net position at June 30, 2019 to \$869,453. The main source of revenue for the District is grant revenue and contracts. The amount our taxpayers ultimately financed for these activities through local taxes and assessments was \$80,487.

#### Capital Assets

The District does not maintain any capital assets.

#### Debt Administration

The District does not utilize long term debt to fund operations or growth.

#### General Fund Budgetary Highlights

The District's General Fund operating budget for the period of July 1, 2018 to June 30, 2019 was adopted by the Governing Board. As adopted, projected expenditures totaled \$7,426,802. Budgeted revenues totaled \$7,429,789 with revenues projected to be over expenditures by approximately \$2,987.

#### Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The District will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices.

San Mateo County Resource Conservation District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2019

**Contacting the District's Financial Management**

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact the Finance Director at San Mateo County Resource Conservation District, 80 Stone Pine Road, Suite 100, Half Moon Bay, California 94019.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET  
JUNE 30, 2019

| ASSETS                              |                 |                         |                              |
|-------------------------------------|-----------------|-------------------------|------------------------------|
|                                     | General<br>Fund | Adjustments<br>(Note 3) | Statement of<br>Net Position |
| Current Assets:                     |                 |                         |                              |
| Cash and investments (Note 2):      | \$ 1,484,276    | \$ -                    | \$ 1,484,276                 |
| Grants receivable                   | 3,836,770       | -                       | 3,836,770                    |
| Total Current Assets                | 5,321,046       | -                       | 5,321,046                    |
| LIABILITIES                         |                 |                         |                              |
| Current Liabilities:                |                 |                         |                              |
| Accounts payable                    | 2,085,546       | -                       | 2,085,546                    |
| Accrued Expenses                    | 2,825           | -                       | 2,825                        |
| Refundable advances                 | 2,120,233       | -                       | 2,120,233                    |
| Compensated Absences                | 42,989          | -                       | 42,989                       |
| Total Current Liabilities           | 4,251,593       | -                       | 4,251,593                    |
| Long Term Liabilities               |                 |                         |                              |
| Recoverable Grants                  | 200,000         | -                       | 200,000                      |
| Total Long Term Liabilities         | 200,000         | -                       | 200,000                      |
| FUND BALANCES / NET POSITION        |                 |                         |                              |
| Fund balances:                      |                 |                         |                              |
| Assigned                            | 869,453         | (869,453)               | -                            |
| Total Fund Balance                  | 869,453         | (869,453)               | -                            |
| Total liabilities and fund balances | \$ 5,321,046    |                         |                              |
| Net Position:                       |                 |                         |                              |
| Unrestricted                        |                 | 869,453                 | 869,453                      |
| Net Position                        |                 | \$ 869,453              | \$ 869,453                   |

See accompanying notes to basic financial statements

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT  
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

|  | General<br>Fund          | Adjustments<br>(Note 4) | Statement of<br>Activities |
|--|--------------------------|-------------------------|----------------------------|
| Expenditure/expenses:  |                          |                         |                            |
| Resource conservation  | \$ 8,073,809             | \$ -                    | \$ 8,073,809               |
| Total expenditures/expenses                                  | <u>8,073,809</u>         | <u>-</u>                | <u>8,073,809</u>           |
| Program revenues:  |                          |                         |                            |
| Operating grants and contracts                               | <u>7,957,861</u>         | <u>-</u>                | <u>7,957,861</u>           |
| Net program expense  | <u>115,948</u>           | <u>-</u>                | <u>115,948</u>             |
| General revenues:  |                          |                         |                            |
| Property taxes   | 80,487                   | -                       | 80,487                     |
| Local government contributions                               | 125,000                  | -                       | 125,000                    |
| Annual Appeal contributions                                  | 16,570                   | -                       | 16,570                     |
| Individual contributions                                     | 32,469                   | -                       | 32,469                     |
| Interest   | <u>4,127</u>             | <u>-</u>                | <u>4,127</u>               |
| Total general revenues                                       | <u>258,653</u>           | <u>-</u>                | <u>258,653</u>             |
| Excess (deficiency) of revenues<br>over (under) expenditures | 142,705                  | (142,705)               | -                          |
| Changes in net position                                      | -                        | 142,705                 | 142,705                    |
| Fund balance / net position at July 1, 2018                  | <u>726,748</u>           | <u>-</u>                | <u>726,748</u>             |
| Fund balance / net position at June 30, 2019                 | <u><u>\$ 869,453</u></u> | <u><u>\$ -</u></u>      | <u><u>\$ 869,453</u></u>   |

See accompanying notes to basic financial statements

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Organization and Description***

The San Mateo County Resource Conservation District (the District) was formed under California Soil Conservation District Law popular election and approved by the San Mateo County Board of Supervisors on October 10, 1939. The function of the District is to provide a soil and water conservation program within its geographical boundaries.

**B. *Accounts and Records***

Custodianship of the District's accounts and records are vested with the District. Assessment of property and collection of tax receipts for the District is provided by the County of San Mateo. The Board further authorized check signatory to a designated board member and the executive director.

**C. *Accounting Policies***

The District accounts for its financial transactions in accordance with the policies and procedures recommended by the State of California. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

(1) Government-wide and Fund Financial Statements:

The government-wide financial statements (the statement of net position and the statement of activities) report on the District as a whole. The statement of activities demonstrates the degree to which the direct expenses of the District's function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with the District's function. *Program revenues* include grant revenue and charges paid by the recipients of goods or services offered by the program. Other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for the governmental fund of the District (balance sheet and the statement of revenues, expenditures and changes in fund balances).

(2) Measurement Focus, Basis of Accounting and Financial Statement Presentation:

Government-wide Financial Statements

The statement of net position and the statement of activities are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. *Accounting Policies (Continued)***

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents net position of the District not restricted for any project or other purpose.

Fund Balances

The District's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the District to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the District prioritizes and expends funds in the following order: Nonspendables, Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint.

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.



**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. *Accounting Policies (Continued)***

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District only has one major fund, the General Fund, which is used to account for all financial resources.

**(3) Use of Estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures/ expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***D. Budget and Budgetary Accounting***

The District normally adopts an annual budget on or before June 30 for the ensuing fiscal year. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- (1) Legally adopted annual budgets and formal budgetary integration is employed as a management control device during the year for the General Fund only.
- (2) The budgets for the General Fund are adopted on a basis consistent with GAAP.
- (3) Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year, which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances.
- (4) Budget appropriations for the various governmental funds become effective each July 1. The Board of Directors may amend the budget during the fiscal year.
- (5) Appropriations were over budgeted amounts by \$647,007.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments consisted of the following at June 30, 2019:

|                           | <u>Carrying Value</u> | <u>Investment Rating</u> |
|---------------------------|-----------------------|--------------------------|
| Cash in Tri Counties Bank | \$1,484,276           | N/A                      |

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by State or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Fair Value Reporting - Investments

The District categorizes the fair value measurements of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the District's investment manager based on a review of the investment class, structure and what kind of securities are held in the portfolio. The District's holdings are classified in Level 1 of the fair value hierarchy.

**NOTE 3 – RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION**

Since the District's funds statements mirror the government-wide statements (i.e., no reconciling items for capital assets, long term debts, etc.), reconciliation statements have not been presented as a part of the basic financial statements.

**NOTE 4 – RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES**

Since the District's funds statements mirror the government-wide statements (i.e., no reconciling items for capital assets, long term debts, etc.), reconciliation statements have not been presented as a part of the basic financial statements.

**NOTE 5 – GRANT RECEIVABLE**

Grants receivable consisted of the following as of June 30, 2019:

|   |                     |
|---|---------------------|
| Water Quality                           | \$ 159,476          |
| Water Resources                         | 2,247,374           |
| Habitat Enhancement                     | 1,260,330           |
| Conservation Technical Assistance       | 11,741              |
| Climate Mitigation and Adaption         | 30,785              |
| Agricultural Ombudsman                  | 6,475               |
| Fire and Forestry                       | 17,780              |
| Erosion and Sediment                    | 13,708              |
| Santa Cruz Mountain Stewardship Network | 75,499              |
| Streamgage                              | 13,000              |
| Other                                   | 602                 |
| Total grants receivable                 | <u>\$ 3,836,770</u> |

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 6 – COMPENSATED ABSENCES**

Compensated absences comprise of unused vacation leave, which is accrued as earned. Compensated absences are recognized as a liability of the District. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid out of current financial resources are recorded as fund liabilities; the long-term portion is recorded in the statement of net position. The District does not anticipate paying out any portion of the compensated absences within a year. Therefore, compensated absences are classified as long-term liabilities.

The net change of compensated absences is as follows:

|                   |                  |
|-------------------|------------------|
| Beginning Balance | \$ 53,348        |
| Additions         | 39,775           |
| Deletions         | (50,134)         |
| Ending Balance    | <u>\$ 42,989</u> |

**NOTE 7 – REFUNDABLE ADVANCES**

The District has been awarded operational grants and contracts from multiple funding sources to provide comprehensive, integrated services for all aspects of natural resource management. These grants and contracts are considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. At June 30, 2019, the balance in the refundable advances for grants and contracts was \$2,120,233.

**NOTE 8 – PROPERTY TAX LEVY, COLLECTION AND MAXIMUM RATES**

The State of California (the "State") Constitution Article XIII A provides that the combined Maximum property tax rate on any given property may not exceed 1 % of its assessed value unless voters have approved an additional amount. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1 % tax levy among counties, cities, school districts and other districts. Counties, cities, school districts and other districts may levy such additional tax as is necessary to provide for voter approved debt service.

The County of San Mateo assesses properties, and bills and collects property taxes as follows:

|                  | <u><b>Secured</b></u>  | <u><b>Unsecured</b></u> |
|------------------|--|-------------------------|
| Valuation dates  | March 1  | March 1                 |
| Lien/levy dates  | July 1   | July 1                  |
| Due Dates        | 50% on November 1<br>50% on February 1                         | Upon receipt of billing |
| Delinquent as of | December 10 (for November August 31<br>April 10 (for February) |                         |

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 – PROPERTY TAX LEVY, COLLECTION AND MAXIMUM RATES (Continued)**

The term "unsecured" refers to taxes on property not secured by liens on real property. Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the "alternative method" of property tax distribution, known as the Teeter Plan, by the District and the County of San Mateo. The Teeter Plan authorizes the auditor/ controller of the County of San Mateo to allocate 100% of the secured property taxes billed, but not yet paid. The County of San Mateo remits tax monies to the District in installations as follows:

5% remitted in July  
75% remitted in September; includes advance  
15% remitted in May  
5% remitted in June

**NOTE 9 – RISK MANAGEMENT**

The District manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related joint powers agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member government entities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the District's responsibility.

The District maintained insurance coverage for liability up to \$2,500,000, property up to \$1,000,000,000 per occurrence, automobile physical damage up to \$2,500,000 per occurrence, Public Officials and Employees Errors and Omissions up to \$2,500,000 per occurrence and Workers' Compensation up to \$5,000,000 per occurrence through the Special District Risk Management Authority (a public entity risk pool) and underwritten by various insurance companies.

Financial statements for the risk pool may be obtained from SDRMA, 1112 I Street, Suite 300, Sacramento, CA 95814.

**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 10 – LEASE**

The District entered into a non-cancellable operating lease for administrative and program facilities at 80 Stone Pine Rd, Suite 100, Half Moon Bay, California, expiring June 30, 2023. Minimum future payments under this non-cancellable operating lease as of June 30, are as follows:

| <u>Lease</u> | <u>Total</u>     | <u>Annual Change</u> |
|--------------|------------------|----------------------|
| 2020         | \$60,744         |                      |
| 2021         | 66,444           | 9.38%                |
| 2022         | 72,144           | 8.58%                |
| 2023         | 79,728           | 10.51%               |
| 2024         | 83,532           | 4.77%                |
| 2025 - 2027  | 269,580          |                      |
| Total        | <u>\$632,172</u> |                      |

Rental expense for the year ending June 30, 2019 totaled \$57,725.

**NOTE 11 – SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. The ultimate financial impact and duration cannot be reasonably estimated at this time.

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through June 12, 2020, the date of the financial statements were available to be issued.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUE AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

|   | Budgeted Amounts |                  |                   | Variance<br>with<br>Final Budget |
|---|------------------|------------------|-------------------|----------------------------------|
|   | Original         | Final            | Actual            |                                  |
| Revenues:                                       |                  |                  |                   |                                  |
| Operating grants and contracts                  | \$ 7,224,289     | \$ 7,224,289     | \$ 7,957,861      | \$ 733,572                       |
| Property taxes                                  | 60,000           | 60,000           | 80,487            | 20,487                           |
| Government contributions                        | 125,000          | 125,000          | 125,000           | -                                |
| Annual appeal contributions                     | 10,000           | 10,000           | 16,570            | 6,570                            |
| Individual contributions                        | 10,000           | 10,000           | 32,469            | 22,469                           |
| Interest  | 500              | 500              | 4,127             | 3,627                            |
| Total Revenues                                  | <u>7,429,789</u> | <u>7,429,789</u> | <u>8,216,514</u>  | <u>786,725</u>                   |
| Expenditures:                                   |                  |                  |                   |                                  |
| Resource conservation                           | <u>7,426,802</u> | <u>7,426,802</u> | <u>8,073,809</u>  | <u>(647,007)</u>                 |
| Total expenditures                              | <u>7,426,802</u> | <u>7,426,802</u> | <u>8,073,809</u>  | <u>(647,007)</u>                 |
| Excess of revenues over (under)<br>expenditures | <u>\$ 2,987</u>  | <u>\$ 2,987</u>  | 142,705           | <u>\$ 145,692</u>                |
| Fund balance, beginning of period               |                  |                  | <u>726,748</u>    |                                  |
| Fund balance, ending of period                  |                  |                  | <u>\$ 869,453</u> |                                  |

**SAN MATEO COUNTY  
RESOURCE CONSERVATION DISTRICT  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS  
FOR THE YEAR ENDED JUNE 30, 2019**



**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For the Year Ended June 30, 2019**

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## MEMORANDUM ON INTERNAL CONTROL

Board of Directors  
San Mateo County Resource Conservation District  
Half Moon Bay, California

In planning and performing our audit of the basic financial statements of the San Mateo County Resource Conservation District (District) for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Maze + Associates' in a cursive, stylized font.

Pleasant Hill, California  
June 12, 2020

## MEMORANDUM OF INTERNAL CONTROL

### SCHEDULE OF OTHER MATTERS

#### **NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments:

#### **EFFECTIVE FISCAL YEAR 2019/20:**

##### **GASB 84 – *Fiduciary Activities***

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

## MEMORANDUM OF INTERNAL CONTROL

### SCHEDULE OF OTHER MATTERS

#### **GASB 90 – Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61**

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

#### **EFFECTIVE FISCAL YEAR 2020/21:**

#### **GASB 87 – Leases**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

## MEMORANDUM OF INTERNAL CONTROL

### SCHEDULE OF OTHER MATTERS

#### **GASB 87 – Leases (Continued)**

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

#### **GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period**

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

#### **EFFECTIVE FISCAL YEAR 2021/22:**

#### **GASB 91 – Conduit Debt Obligations**

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

## MEMORANDUM OF INTERNAL CONTROL

### SCHEDULE OF OTHER MATTERS

#### **GASB 91 – Conduit Debt Obligations (Continued)**

A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics:

- There are at least three parties involved:
  - (1) an issuer
  - (2) a third-party obligor, and
  - (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

## MEMORANDUM OF INTERNAL CONTROL

### SCHEDULE OF OTHER MATTERS

#### **GASB 91 – Conduit Debt Obligations (Continued)**

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

#### ***How the Changes in this Statement will Improve Financial Reporting***

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

## REQUIRED COMMUNICATIONS

Board of Directors  
San Mateo County Resource Conservation District  
Half Moon Bay, California

We have audited the basic financial statements of the San Mateo County Resource Conservation District (District) for the year ended June 30, 2019. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

### **Significant Audit Findings**

#### ***Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are included in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year.

#### ***Unusual Transactions, Controversial or Emerging Areas***

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### ***Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

#### ***Disclosures***

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.



Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated June 12, 2020.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### ***Other Information Accompanying the Financial Statements***

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplemental information which accompanies the financial statements but are not required to audit the supplemental information. With respect to this supplemental information, we made certain inquiries of management and evaluated the form, content, and the methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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This report is intended solely for the information and use of the Board of Directors, and management and is not intended to be and should not be used by anyone other than these specified parties.

*Maze + Associates*

Pleasant Hill, California  
June 12, 2020



REVENUE

|  | FY 20                   | 6.30.20                 | Notes                  |
|--|-------------------------|-------------------------|------------------------|
|  | Budget                  | Actual                  | Remaining              |
| <u>Program Revenue</u>                   |                         |                         |                        |
| Agricultural Ombudsman                   | \$ 44,588.00            | \$ 36,323.73            | \$ 8,264.27            |
| Climate Mitigation and Adaptation        | \$ 197,856.00           | \$ 131,247.59           | \$ 66,608.41           |
| Conservation Technical Assistance        | \$ 179,567.90           | \$ 97,827.65            | \$ 81,740.25           |
| Erosion and Sediment Management          | \$ 640,084.00           | \$ 983,471.76           | \$ (343,387.76)        |
| Fire and Forestry                        | \$ 239,040.00           | \$ 247,890.08           | \$ (8,850.08)          |
| Habitat Enhancement                      | \$ 8,289,784.72         | \$ 5,912,861.71         | \$ 2,376,923.01        |
| Santa Cruz Mountains Stewardship Network | \$ 442,680.00           | \$ 415,709.34           | \$ 26,970.66           |
| Stream Gage                              | \$ -                    | \$ 8,000.00             | \$ (8,000.00)          |
| Water Resources & Conservation           | \$ 2,569,066.18         | \$ 2,925,379.46         | \$ (356,313.28)        |
| Water Quality                            | \$ 272,634.00           | \$ 216,307.08           | \$ 56,326.92           |
| Billing Rate Adjustments                 | \$ 50,000.00            |                         | \$ 50,000.00           |
| <b>Subtotal Program Revenue</b>          | <b>\$ 12,925,300.80</b> | <b>\$ 10,975,018.40</b> | <b>\$ 1,950,282.40</b> |
| <u>Other Revenue</u>                     |                         |                         |                        |
| County Contributions                     | \$ 200,000.00           | \$ 200,000.00           | \$ -                   |
| Individual Contributions                 | \$ 10,000.00            | \$ 9,760.00             | \$ 240.00              |
| Interest Income                          | \$ 500.00               | \$ 4,491.55             | \$ (3,991.55)          |
| Misc. Income                             | \$ -                    | \$ 297,038.25           | \$ (297,038.25)        |
| Property Tax                             | \$ 65,000.00            | \$ 80,568.23            | \$ (15,568.23)         |
| Service Fees                             | \$ -                    | \$ 34,311.03            | \$ (34,311.03)         |
| <b>Subtotal Other Revenue</b>            | <b>\$ 275,500.00</b>    | <b>\$ 626,169.06</b>    | <b>\$ (350,669.06)</b> |
| <b>Total Revenue</b>                     | <b>\$ 13,200,800.80</b> | <b>\$ 11,601,187.46</b> | <b>\$ 1,599,613.34</b> |

EXPENSES

|  |                         |                         |                        |
|--|-------------------------|-------------------------|------------------------|
| <u>Operating Expenses</u>                |                         |                         |                        |
| Personnel (Salaries & Fringe)            | \$ 1,654,250.92         | \$ 1,423,015.40         | \$ 231,235.52          |
| Other                                    | \$ 323,000.00           | \$ 259,791.82           | \$ 63,208.18           |
| <b>Subtotal Operating Expenses</b>       | <b>\$ 1,977,250.92</b>  | <b>\$ 1,682,807.22</b>  | <b>\$ 294,443.70</b>   |
| <u>Program Expenses</u>                  |                         |                         |                        |
| Agricultural Ombudsman                   | \$ 600.00               | \$ 341.23               | \$ 258.77              |
| Climate Mitigation and Adaptation        | \$ 49,566.00            | \$ 8,652.64             | \$ 40,913.36           |
| Conservation Technical Assistance        | \$ 85,822.90            | \$ 12,518.90            | \$ 73,304.00           |
| Erosion and Sediment Management          | \$ 593,500.00           | \$ 960,754.72           | \$ (367,254.72)        |
| Fire and Forestry                        | \$ 135,000.00           | \$ 89,545.52            | \$ 45,454.48           |
| Habitat Enhancement                      | \$ 7,620,169.30         | \$ 5,278,458.99         | \$ 2,341,710.31        |
| Santa Cruz Mountains Stewardship Network | \$ 307,380.00           | \$ 210,981.83           | \$ 96,398.17           |
| Stream Gage                              |                         | \$ 3,450.00             | \$ (3,450.00)          |
| Water Resources & Conservation           | \$ 2,231,600.00         | \$ 2,671,099.37         | \$ (439,499.37)        |
| Water Quality                            | \$ 101,034.00           | \$ 62,450.66            | \$ 38,583.34           |
| <b>Subtotal Program Expenses</b>         | <b>\$ 11,124,672.20</b> | <b>\$ 9,298,253.86</b>  | <b>\$ 1,826,418.34</b> |
| <b>Total Expenses</b>                    | <b>\$ 13,101,923.12</b> | <b>\$ 10,981,061.08</b> | <b>\$ 2,120,862.04</b> |
| <b>NET</b>                               | <b>\$ 98,877.69</b>     | <b>\$ 620,126.38</b>    | <b>\$ (521,248.69)</b> |
| <b>Operating Reserve Allocation</b>      | <b>\$ 250,000.00</b>    |                         |                        |

**San Mateo Resource Conservation District**  
**Balance Sheet**  
As of June 30, 2020

|   | <u>Jun 30, 20</u>          |
|---|----------------------------|
| <b>ASSETS</b>   |                            |
| <b>Current Assets</b>                                 |                            |
| <b>Checking/Savings</b>                               |                            |
| 1030 - Checking Account (5269)                        | 1,359,370.91               |
| 1031 - Restricted State Funds (5012) (Butano Channel) | 8,621.85                   |
| 1032 - Operating Reserve (0202)                       | <u>250,008.97</u>          |
| <b>Total Checking/Savings</b>                         | 1,618,001.73               |
| <b>Accounts Receivable</b>                            |                            |
| 1200 - Accounts Receivable                            | <u>3,257,354.73</u>        |
| <b>Total Accounts Receivable</b>                      | <u>3,257,354.73</u>        |
| <b>Total Current Assets</b>                           | <u>4,875,356.46</u>        |
| <b>TOTAL ASSETS</b>                                   | <u><b>4,875,356.46</b></u> |
| <b>LIABILITIES &amp; EQUITY</b>                       |                            |
| <b>Liabilities</b>                                    |                            |
| <b>Current Liabilities</b>                            |                            |
| <b>Accounts Payable</b>                               |                            |
| 2000 - Accounts Payable                               | <u>732,710.62</u>          |
| <b>Total Accounts Payable</b>                         | 732,710.62                 |
| <b>Credit Cards</b>                                   |                            |
| 2025 - Visa - Nelson - 1952                           | 102.96                     |
| 2035 - Visa - Issel - 0129                            | <u>2,216.33</u>            |
| <b>Total Credit Cards</b>                             | 2,319.29                   |
| <b>Other Current Liabilities</b>                      |                            |
| 2045 - Accrued Payroll                                | 110,513.58                 |
| 2060 - Accrued Time Off                               | 65,689.83                  |
| 2400 - Deferred Revenue                               |                            |
| 2401 - NFWF - San Bruno Mtn Butterfly                 | 14,681.50                  |
| 2405 - NFWF - Bonde Weir                              | 3,488.11                   |
| 2409 - SCMSN- Regional Climate Action                 | 39,011.53                  |
| 2410 - Santa Cruz Mountain Stewardship                | 103,858.67                 |
| 2411 - SCMSN - Atlas Project                          | 137,832.24                 |
| 2412 - SCMSN-Spotlight Stewardship                    | 28,618.54                  |
| 2413 - SCMSN-Permitting                               | 1,665.64                   |
| 2414 - SCMSN - Veg Gen                                | 119,807.52                 |
| 2415 - SCMSN - DEI                                    | 28,364.54                  |
| 2416 - SCMSN - COVID                                  | 2,429.20                   |
| 2420 - MROSD - Driscoll Ranch                         | 7,489.70                   |
| 2421 - MROSD - Apple Orchard                          | 13,633.00                  |
| 2425 - Randtron Antenna                               | 3,184.32                   |
| 2430 - PG&E - Butano Mitigation Proj.                 | 795,860.01                 |
| 2431 - PG&E - Project Development                     | 33,668.57                  |
| 2432 - PG&E Foundation - Hedge Rows                   | 5,024.06                   |
| 2434 - PG&E - San Bruno Mountain                      | 151,748.60                 |
| 2435 - Cloverdale Ponds                               | 75,132.38                  |
| 2451 - SMC - Butano Channel                           | 613,200.69                 |

# San Mateo Resource Conservation District

## Balance Sheet

As of June 30, 2020

|                                    |                            |
|------------------------------------|----------------------------|
| Total Checking/Savings             | 1,618,001.73               |
| 2470 · SVCF - Carbon Farm Planning | 5,306.54                   |
| 2471 · SVCF - Mobile Laundry Grant | 30,000.00                  |
| 2473 · RLF - TMDL Pescadero Butano | 51,376.64                  |
| 2475 · SAM - First Flush           | 19,458.79                  |
| 2476 · SAM - Mitigation            | 11,228.54                  |
| 2490 · POST - DR Match Funds       | 72,675.07                  |
| 2491 · POST - Rangeland Compost    | 6,199.65                   |
| Total 2400 · Deferred Revenue      | <u>2,374,944.05</u>        |
| Total Other Current Liabilities    | <u>2,551,147.46</u>        |
| Total Current Liabilities          | 3,286,177.37               |
| Long Term Liabilities              |                            |
| 2500 · Recoverable Grants          |                            |
| 2520 · Silicon Valley Foundation   | 100,000.00                 |
| Total 2500 · Recoverable Grants    | <u>100,000.00</u>          |
| Total Long Term Liabilities        | <u>100,000.00</u>          |
| Total Liabilities                  | 3,386,177.37               |
| Equity                             |                            |
| 3500 · Net Assets                  | 869,052.71                 |
| Net Income                         | 620,126.38                 |
| Total Equity                       | <u>1,489,179.09</u>        |
| TOTAL LIABILITIES & EQUITY         | <u><u>4,875,356.46</u></u> |

# San Mateo Resource Conservation District

## Profit & Loss

July 2019 through June 2020

Jul '19 - Jun 20

### Ordinary Income/Expense

#### Income

|                                   |               |
|-----------------------------------|---------------|
| 4010 • Contracts                  | 11,010,867.68 |
| 4020 • Donations                  |               |
| 4025 • Annual Appeal Donation     | 8,900.00      |
| 4030 • General Support Donations  | 295,500.00    |
| 4035 • Individual Donation        | 860.00        |
| Total 4020 • Donations            | 305,260.00    |
| 4040 • Interest                   | 4,491.55      |
| 4050 • SMC Contributions          |               |
| 4055 • SMC Property Tax           | 80,532.85     |
| 4060 • SMC Property Sale Proceeds | 35.38         |
| 4065 • SMC Operating Support      | 200,000.00    |
| Total 4050 • SMC Contributions    | 280,568.23    |

Total Income 11,601,187.46

Gross Profit 11,601,187.46

#### Expense

|                                      |               |
|--------------------------------------|---------------|
| 5100 • Personnel                     |               |
| 5110 • Salary                        | 1,158,543.23  |
| 5120 • Benefits                      | 264,472.17    |
| Total 5100 • Personnel               | 1,423,015.40  |
| 5200 • Operating Expense             |               |
| 5205 • Bank Fees                     | 553.57        |
| 5210 • Communications                | 28,876.25     |
| 5215 • Dues-Membership-Subscriptions | 4,883.00      |
| 5220 • Equipment                     | 4,475.52      |
| 5225 • Information Technology        | 16,513.73     |
| 5230 • Insurance                     | 10,733.42     |
| 5235 • Office Supplies               | 828.24        |
| 5240 • Rent                          | 59,205.60     |
| 5245 • Accounting Services           | 36,011.75     |
| 5250 • Legal Services                | 2,109.30      |
| 5255 • Misc. Consulting Services     | 70,615.06     |
| 5265 • Discretionary ( )             | 3,696.24      |
| 5270 • Prof. Development & Meetings  | 8,013.95      |
| Total 5200 • Operating Expense       | 246,515.63    |
| 5300 • Program Expenses              |               |
| 5310 • Project Implementation        | 9,311,530.05  |
| Total 5300 • Program Expenses        | 9,311,530.05  |
| Total Expense                        | 10,981,061.08 |

Net Ordinary Income 620,126.38

Net Income 620,126.38

San Mateo Resource Conservation District  
Profit & Loss  
July 2019 through June 2020

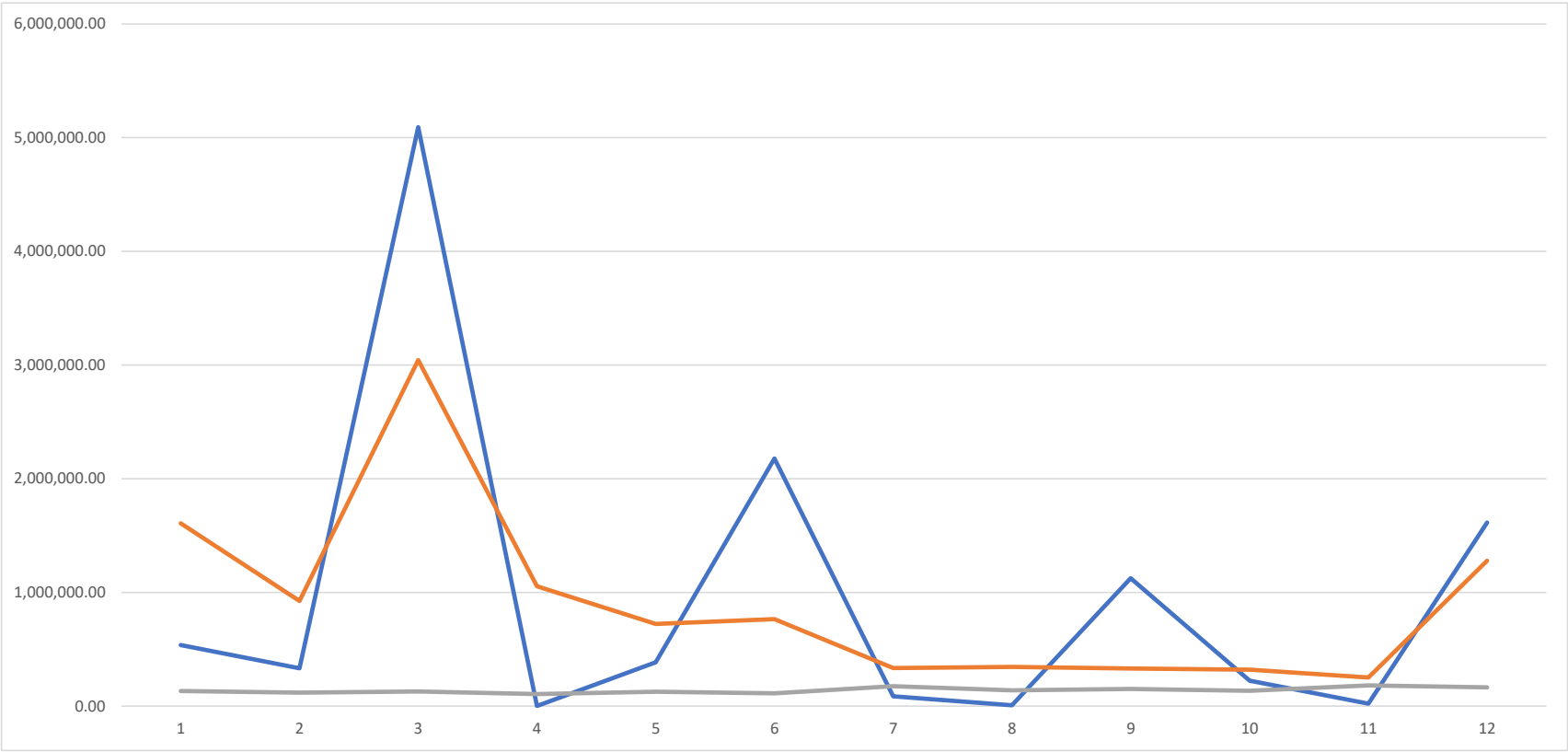
|                                      | Jul 19        | Aug 19      | Sep 19       | Oct 19        | Nov 19      | Dec 19       | Jan 20      | Feb 20      | Mar 20       | Apr 20     | May 20      | Jun 20       | TOTAL         |
|--------------------------------------|---------------|-------------|--------------|---------------|-------------|--------------|-------------|-------------|--------------|------------|-------------|--------------|---------------|
| Ordinary Income/Expense              |               |             |              |               |             |              |             |             |              |            |             |              |               |
| Income                               |               |             |              |               |             |              |             |             |              |            |             |              |               |
| 4010 • Contracts                     | 529,846.33    | 318,297.71  | 4,812,279.03 | 0.00          | 379,003.16  | 2,144,364.52 | 67,119.75   | 6,000.00    | 1,125,384.55 | 0.00       | 20,127.95   | 1,608,444.68 | 11,010,867.68 |
| 4020 • Donations                     |               |             |              |               |             |              |             |             |              |            |             |              |               |
| 4025 • Annual Appeal Donation        | 0.00          | 0.00        | 0.00         | 0.00          | 50.00       | 100.00       | 8,750.00    | 0.00        | 0.00         | 0.00       | 0.00        | 0.00         | 8,900.00      |
| 4030 • General Support Donations     | 5,500.00      | 10,000.00   | 79,500.00    | 0.00          | 0.00        | 500.00       | 0.00        | 0.00        | 0.00         | 200,000.00 | 0.00        | 0.00         | 295,500.00    |
| 4035 • Individual Donation           | 0.00          | 0.00        | 60.00        | 200.00        | 0.00        | 0.00         | 0.00        | 0.00        | 0.00         | 0.00       | 600.00      | 0.00         | 860.00        |
| Total 4020 • Donations               | 5,500.00      | 10,000.00   | 79,560.00    | 200.00        | 50.00       | 600.00       | 8,750.00    | 0.00        | 0.00         | 200,000.00 | 600.00      | 0.00         | 305,260.00    |
| 4040 • Interest                      | 661.85        | 643.20      | 648.78       | 511.04        | 261.39      | 524.91       | 211.26      | 207.87      | 300.71       | 135.61     | 124.67      | 260.26       | 4,491.55      |
| 4050 • SMC Contributions             |               |             |              |               |             |              |             |             |              |            |             |              |               |
| 4055 • SMC Property Tax              | 294.49        | 3,368.39    | 82.31        | 0.00          | 6,415.42    | 31,750.20    | 9,631.87    | 314.17      | 0.00         | 23,319.12  | 248.38      | 5,108.50     | 80,532.85     |
| 4060 • SMC Property Sale Proceeds    | 0.00          | 0.00        | 35.38        | 0.00          | 0.00        | 0.00         | 0.00        | 0.00        | 0.00         | 0.00       | 0.00        | 0.00         | 35.38         |
| 4065 • SMC Operating Support         | 0.00          | 0.00        | 200,000.00   | 0.00          | 0.00        | 0.00         | 0.00        | 0.00        | 0.00         | 0.00       | 0.00        | 0.00         | 200,000.00    |
| Total 4050 • SMC Contributions       | 294.49        | 3,368.39    | 200,117.69   | 0.00          | 6,415.42    | 31,750.20    | 9,631.87    | 314.17      | 0.00         | 23,319.12  | 248.38      | 5,108.50     | 280,568.23    |
| Total Income                         | 536,302.67    | 332,309.30  | 5,092,605.50 | 711.04        | 385,729.97  | 2,177,239.63 | 85,712.88   | 6,522.04    | 1,125,685.26 | 223,454.73 | 21,101.00   | 1,613,813.44 | 11,601,187.46 |
| Gross Profit                         | 536,302.67    | 332,309.30  | 5,092,605.50 | 711.04        | 385,729.97  | 2,177,239.63 | 85,712.88   | 6,522.04    | 1,125,685.26 | 223,454.73 | 21,101.00   | 1,613,813.44 | 11,601,187.46 |
| Expense                              |               |             |              |               |             |              |             |             |              |            |             |              |               |
| 5100 • Personnel                     |               |             |              |               |             |              |             |             |              |            |             |              |               |
| 5110 • Salary                        | 102,353.76    | 99,252.32   | 89,115.68    | 87,382.84     | 86,415.54   | 84,546.63    | 103,543.67  | 101,454.23  | 100,384.17   | 100,035.43 | 101,433.16  | 102,625.80   | 1,158,543.23  |
| 5120 • Benefits                      | 25,409.19     | 16,786.96   | 19,353.51    | 14,822.02     | 16,435.20   | 11,192.39    | 50,647.38   | 16,008.58   | 18,841.95    | 28,942.42  | 36,487.84   | 9,544.73     | 264,472.17    |
| Total 5100 • Personnel               | 127,762.95    | 116,039.28  | 108,469.19   | 102,204.86    | 102,850.74  | 95,739.02    | 154,191.05  | 117,462.81  | 119,226.12   | 128,977.85 | 137,921.00  | 112,170.53   | 1,423,015.40  |
| 5200 • Operating Expense             |               |             |              |               |             |              |             |             |              |            |             |              |               |
| 5205 • Bank Fees                     | 0.00          | 213.31      | 30.00        | 34.00         | 0.00        | 8.80         | 171.10      | 0.00        | 0.00         | 10.00      | 0.00        | 86.36        | 553.57        |
| 5210 • Communications                | 984.05        | 542.66      | 733.66       | 648.36        | 752.21      | 1,296.31     | 399.48      | 591.72      | 900.39       | 150.19     | 979.37      | 20,897.85    | 28,876.25     |
| 5215 • Dues-Membership-Subscriptions | 0.00          | 0.00        | 0.00         | 1,282.00      | 25.00       | 0.00         | 67.00       | 3,500.00    | 0.00         | 9.00       | 0.00        | 0.00         | 4,883.00      |
| 5220 • Equipment                     | 0.00          | 966.32      | 76.46        | 0.00          | 0.00        | 0.00         | 690.74      | 2,742.00    | 0.00         | 0.00       | 0.00        | 0.00         | 4,475.52      |
| 5225 • Information Technology        | 980.94        | 65.04       | 65.04        | 762.04        | 2,903.64    | 5,560.19     | 1,034.84    | 3,007.00    | 275.00       | 1,130.00   | 290.00      | 440.00       | 16,513.73     |
| 5230 • Insurance                     | 0.00          | 0.00        | 0.00         | 47.50         | 0.00        | 0.00         | 0.00        | 0.00        | 0.00         | 0.00       | 10,685.92   | 0.00         | 10,733.42     |
| 5235 • Office Supplies               | 54.68         | 51.50       | 25.50        | 25.50         | 104.31      | 286.66       | 334.23      | -169.74     | 107.85       | 0.00       | 7.75        | 0.00         | 828.24        |
| 5240 • Rent                          | 230.00        | 230.00      | 9,405.60     | 230.00        | 9,405.80    | 230.00       | 9,660.80    | 0.00        | 9,655.80     | 0.00       | 10,223.40   | 9,934.20     | 59,205.60     |
| 5245 • Accounting Services           | 1,797.50      | 0.00        | 8,971.25     | 0.00          | 3,630.00    | 3,050.00     | 0.00        | 0.00        | 14,738.00    | 2,570.00   | 1,255.00    | 0.00         | 36,011.75     |
| 5250 • Legal Services                | 0.00          | 0.00        | 0.00         | 0.00          | 308.10      | 0.00         | 0.00        | 0.00        | 0.00         | 0.00       | 0.00        | 1,801.20     | 2,109.30      |
| 5255 • Misc. Consulting Services     | 0.00          | 0.00        | 0.00         | 0.00          | 5,860.48    | 4,110.80     | 6,505.10    | 8,728.68    | 4,860.00     | 0.00       | 20,550.00   | 20,000.00    | 70,615.06     |
| 5265 • Discretionary                 | 0.00          | 0.00        | 0.00         | 0.00          | 268.09      | 1,082.22     | 337.36      | 1,165.31    | 843.26       | 0.00       | 0.00        | 0.00         | 3,696.24      |
| 5270 • Prof. Development & Meetings  | 682.71        | 586.37      | 674.50       | 599.76        | 942.26      | 15.42        | 1,405.93    | 1,820.53    | 187.59       | 1,125.00   | -75.00      | 48.88        | 8,013.95      |
| Total 5200 • Operating Expense       | 4,729.88      | 2,655.20    | 19,982.01    | 3,629.16      | 24,199.89   | 15,640.40    | 20,606.58   | 21,385.50   | 31,567.89    | 4,994.19   | 43,916.44   | 53,208.49    | 246,515.63    |
| 5300 • Program Expenses              |               |             |              |               |             |              |             |             |              |            |             |              |               |
| 5310 • Project Implementation        | 1,476,126.05  | 806,419.96  | 2,915,063.77 | 948,799.15    | 596,316.80  | 653,667.60   | 160,372.55  | 206,532.05  | 179,067.40   | 186,552.23 | 69,415.28   | 1,113,197.21 | 9,311,530.05  |
| Total 5300 • Program Expenses        | 1,476,126.05  | 806,419.96  | 2,915,063.77 | 948,799.15    | 596,316.80  | 653,667.60   | 160,372.55  | 206,532.05  | 179,067.40   | 186,552.23 | 69,415.28   | 1,113,197.21 | 9,311,530.05  |
| Total Expense                        | 1,608,618.88  | 925,114.44  | 3,043,514.97 | 1,054,633.17  | 723,367.43  | 765,047.02   | 335,170.18  | 345,380.36  | 329,861.41   | 320,524.27 | 251,252.72  | 1,278,576.23 | 10,981,061.08 |
| Net Ordinary Income                  | -1,072,316.21 | -592,805.14 | 2,049,090.53 | -1,053,922.13 | -337,637.46 | 1,412,192.61 | -249,457.30 | -338,858.32 | 795,823.85   | -97,069.54 | -230,151.72 | 335,237.21   | 620,126.38    |
| Net Income                           | -1,072,316.21 | -592,805.14 | 2,049,090.53 | -1,053,922.13 | -337,637.46 | 1,412,192.61 | -249,457.30 | -338,858.32 | 795,823.85   | -97,069.54 | -230,151.72 | 335,237.21   | 620,126.38    |
|                                      | 132,492.83    | 118,694.48  | 128,451.20   | 105,834.02    | 127,050.63  | 111,379.42   | 174,797.63  | 138,848.31  | 150,794.01   | 133,972.04 | 181,837.44  | 165,379.02   | 1,669,531.03  |

San Mateo Resource Conservation District  
Profit & Loss

July 2019 through June 2020

|                                      | Jul - Sep 19 | Oct - Dec 19 | Jan - Mar 20 | Apr - Jun 20 | TOTAL         |
|--------------------------------------|--------------|--------------|--------------|--------------|---------------|
| Ordinary Income/Expense              |              |              |              |              |               |
| Income                               |              |              |              |              |               |
| 4010 · Contracts                     | 5,660,423.07 | 2,523,367.68 | 1,198,504.30 | 1,628,572.63 | 11,010,867.68 |
| 4020 · Donations                     |              |              |              |              |               |
| 4025 · Annual Appeal Donation        | 0.00         | 150.00       | 8,750.00     | 0.00         | 8,900.00      |
| 4030 · General Support Donations     | 95,000.00    | 500.00       | 0.00         | 200,000.00   | 295,500.00    |
| 4035 · Individual Donation           | 60.00        | 200.00       | 0.00         | 600.00       | 860.00        |
| Total 4020 · Donations               | 95,060.00    | 850.00       | 8,750.00     | 200,600.00   | 305,260.00    |
| 4040 · Interest                      | 1,953.83     | 1,297.34     | 719.84       | 520.54       | 4,491.55      |
| 4050 · SMC Contributions             |              |              |              |              |               |
| 4055 · SMC Property Tax              | 3,745.19     | 38,165.62    | 9,946.04     | 28,676.00    | 80,532.85     |
| 4060 · SMC Property Sale Proceeds    | 35.38        | 0.00         | 0.00         | 0.00         | 35.38         |
| 4065 · SMC Operating Support         | 200,000.00   | 0.00         | 0.00         | 0.00         | 200,000.00    |
| Total 4050 · SMC Contributions       | 203,780.57   | 38,165.62    | 9,946.04     | 28,676.00    | 280,568.23    |
| Total Income                         | 5,961,217.47 | 2,563,680.64 | 1,217,920.18 | 1,858,369.17 | 11,601,187.46 |
| Gross Profit                         | 5,961,217.47 | 2,563,680.64 | 1,217,920.18 | 1,858,369.17 | 11,601,187.46 |
| Expense                              |              |              |              |              |               |
| 5100 · Personnel                     |              |              |              |              |               |
| 5110 · Salary                        | 290,721.76   | 258,345.01   | 305,382.07   | 304,094.39   | 1,158,543.23  |
| 5120 · Benefits                      | 61,549.66    | 42,449.61    | 85,497.91    | 74,974.99    | 264,472.17    |
| Total 5100 · Personnel               | 352,271.42   | 300,794.62   | 390,879.98   | 379,069.38   | 1,423,015.40  |
| 5200 · Operating Expense             |              |              |              |              |               |
| 5205 · Bank Fees                     | 243.31       | 42.80        | 171.10       | 96.36        | 553.57        |
| 5210 · Communications                | 2,260.37     | 2,696.88     | 1,891.59     | 22,027.41    | 28,876.25     |
| 5215 · Dues-Membership-Subscriptions | 0.00         | 1,307.00     | 3,567.00     | 9.00         | 4,883.00      |
| 5220 · Equipment                     | 1,042.78     | 0.00         | 3,432.74     | 0.00         | 4,475.52      |
| 5225 · Information Technology        | 1,111.02     | 9,225.87     | 4,316.84     | 1,860.00     | 16,513.73     |
| 5230 · Insurance                     | 0.00         | 47.50        | 0.00         | 10,685.92    | 10,733.42     |
| 5235 · Office Supplies               | 131.68       | 416.47       | 272.34       | 7.75         | 828.24        |
| 5240 · Rent                          | 9,865.60     | 9,865.80     | 19,316.60    | 20,157.60    | 59,205.60     |
| 5245 · Accounting Services           | 10,768.75    | 6,680.00     | 14,738.00    | 3,825.00     | 36,011.75     |
| 5250 · Legal Services                | 0.00         | 308.10       | 0.00         | 1,801.20     | 2,109.30      |
| 5255 · Misc. Consulting Services     | 0.00         | 9,971.28     | 20,093.78    | 40,550.00    | 70,615.06     |
| 5265 · Discretionary                 | 0.00         | 1,350.31     | 2,345.93     | 0.00         | 3,696.24      |
| 5270 · Prof. Development & Meetings  | 1,943.58     | 1,557.44     | 3,414.05     | 1,098.88     | 8,013.95      |
| Total 5200 · Operating Expense       | 27,367.09    | 43,469.45    | 73,559.97    | 102,119.12   | 246,515.63    |
| 5300 · Program Expenses              |              |              |              |              |               |
| 5310 · Project Implementation        | 5,197,609.78 | 2,198,783.55 | 545,972.00   | 1,369,164.72 | 9,311,530.05  |
| Total 5300 · Program Expenses        | 5,197,609.78 | 2,198,783.55 | 545,972.00   | 1,369,164.72 | 9,311,530.05  |
| Total Expense                        | 5,577,248.29 | 2,543,047.62 | 1,010,411.95 | 1,850,353.22 | 10,981,061.08 |
| Net Ordinary Income                  | 383,969.18   | 20,633.02    | 207,508.23   | 8,015.95     | 620,126.38    |
| Net Income                           | 383,969.18   | 20,633.02    | 207,508.23   | 8,015.95     | 620,126.38    |





## Memorandum

Date: August 20, 2020  
To: Board of Directors  
From: Kellyx Nelson  
Re: Notice of Determination of Exemption from Environmental Review for Mindego Creek Fish Passage Project

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As the lead agency for the Mindego Creek Fish Passage Project, the San Mateo RCD has the principal responsibility for carrying out the project and must ensure its compliance with CEQA or determine whether it is subject to the exemptions listed in CEQA Guidelines section 15333.

When relying on an exemption, it is prudent that the lead agency support its decision with evidence and analysis, as well as creating an administrative record of its considerations. After approving an exempted project, the agency may, but need not, file a notice of exemption (NOE). It has been the practice of the San Mateo RCD to file NOEs with the State of California via the Office of Planning and Research and with the County of San Mateo via the County Clerk.

The attached *Certificate of Determination of Exemption/Exclusion from Environmental Review* is the NOE for the Mindego Creek Fish Passage Project. It provides a description of the project as well as a determination of its consistency with the categorical exemptions to CEQA.

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**CERTIFICATE OF DETERMINATION  
OF EXEMPTION/EXCLUSION FROM ENVIRONMENTAL REVIEW**

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Project Title: Mindego Creek Fish Passage Project

Project Location: The project site is located within the “Log Cabin Ranch” property off Alpine Road, approximately 2.5 miles south of La Honda in San Mateo County

Assessor's Parcel Numbers: 083300010

City and County: La Honda, San Mateo County

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Description of Nature and Purpose of Project:

The San Mateo Resource Conservation District (RCD) proposes the Mindego Creek Fish Passage Project (project) located on Mindego Creek south of La Honda in San Mateo County. The project will remove a fish passage barrier, improve creek habitat, and restore access to 5 miles of range for federally threatened steelhead trout (*Oncorhynchus mykiss irideus*) and federally endangered coho salmon (*O. kisutch*) in the San Gregorio Creek watershed.

The RCD removed the downstream barrier on Alpine Creek at Pescadero Creek Road in 2019, and the Mindego Creek barrier is now the next upstream removal priority. The barrier consists of a 6-foot-high concrete dam, Denil fish ladder, and water diversion infrastructure. The existing fish ladder is prone to clogging, particularly at its inlet, which frequently renders it unpassable to fish. The hydraulic drop over the dam is a complete barrier when the ladder becomes clogged.

This project will address the creek’s fish passage barrier by removing the channel-spanning dam, ladder, and submersible pump and relocating the diversion intake to an instream pool. The new gravity-fed diversion will have a regulated weir plate and fish screen designed to meet California Department of Fish and Wildlife (CDFW) and National Marine Fisheries Service (NMFS) criteria to protect against fish entrapment. Approximately 310 linear feet of channel will be reconstructed based on the stream simulation method outlined in the “Guidelines for Salmonid Passage at Stream Crossings” (NMFS, 2001) and the “Stream Simulation” design approach outlined in the “California Salmonid Stream Habitat Restoration Manual” (CDFG, 2009). Two rock weir pools will be integrated to provide resting habitat for fish along with two large woody debris installations to enhance habitat complexity and capture sediment. The project is less than a half-acre in size.

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Name of Person, Board, Commission or Department Proposing to Carry Out Project:

San Mateo Resource Conservation District  
Kellyx Nelson  
80 Stone Pine Road, Suite 100  
Half Moon Bay, CA 94019

EXEMPT STATUS:

☒ Categorical Exemptions, Class 3 [CEQA State Guidelines, Section 15333]

REMARKS: See page 3.

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Contact Person: Amy Kaeser      Telephone: (650) 712-7765 x 121

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8/20/2020

Date of Determination

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

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**Amy Kaeser, Conservation Project Manager**  
**San Mateo Resource Conservation District**

**REMARKS:**

As described below, the Mindego Fish Passage Project (project) meets the CEQA criteria for exemption from environmental review under Class 33, Section 15333. This section of the guidelines describes Small Habitat Restoration Projects that do not exceed 5 acres in size and are constructed for the purpose of maintenance, restoration, enhancement, or protection of habitat for fish, plants, and wildlife.

The proposed restoration project is less than a half-acre in size and is for the purpose of habitat improvement for fish. The project involves removal of a fish passage barrier and channel restoration in accordance with California Department of Fish and Wildlife (CDFW) and the National Oceanic and Atmosphere Administration (NOAA) Fisheries guidelines. The project also includes a minor alteration to a water diversion system (screened to meet CDFW and National Marine Fisheries Service screening criteria to protect against fish entrapment) that would not result in expanded footprint or capacity.

Project Description

The proposed project would improve habitat and restore access to 5 miles of range for federally threatened steelhead trout (*Oncorhynchus mykiss irideus*) and federally endangered coho salmon (*O. kisutch*) in the San Gregorio Creek watershed in San Mateo County, CA.

The Mindego Creek dam and Denil fish ladder were designated as a high priority fish barrier for remediation by the Integrated Watershed Restoration Program (IWRP), a partnership of three RCDs, the California Coastal Conservancy, and local, state, and federal resource agencies that works to meet the need for a coordinated, regional process to implement high priority watershed restoration projects. CDFW and National Marine Fisheries Service (NMFS) personnel working through the IWRP process identified the project site as the top remaining fish passage priority within San Mateo County. A 2004 stream crossing inventory by Ross Taylor and Associates also identified the dam and fish ladder as a high priority barrier for both juvenile and adult salmonids. The barrier consists of a 6-foot-high concrete dam, Denil fish ladder, and water diversion infrastructure. The existing fish ladder is prone to clogging, particularly at its inlet, which frequently renders it unpassable to fish. The hydraulic drop over the dam is a complete passage barrier when the ladder becomes clogged.

The project would address the creek's fish passage barrier by removing the channel-spanning dam, ladder, and submersible pump and by relocating the diversion intake to an instream pool. The new gravity-fed diversion would have a regulated weir plate and fish screen designed to meet CDFW and NMFS screening criteria to protect against fish entrapment. The concrete building and other elements of the water diversion would remain intact to provide the necessary infrastructure to support continued pumping to off-channel storage at Log Cabin Ranch, within the landowner's water right. Approximately 310 linear feet of channel would be reconstructed based on the stream simulation method outlined in the "Guidelines for Salmonid Passage at Stream Crossings" (NMFS, 2001) and the "Stream Simulation" design approach outlined in the "California Salmonid Stream Habitat Restoration Manual" (CDFG, 2009). Two rock weir pools will be integrated to provide resting habitat along with two large woody debris installations (utilizing on-site downed wood) to enhance habitat complexity and capture sediment.

The following key steps would be taken to implement the project:

- Creek diversion and fish relocation
- Dam and fish ladder demolition
- Diversion box and fish screen installation

- Channel and boulder weir construction
- Log structure installation
- Backfill and jetting of stream simulation material
- Rock slope protection installation
- Channel rewatering and diversion removal
- Site restoration

**Class 33 (CEQA State Guidelines, Section 15333) Small Habitat Restoration Projects**

Class 33 consists of projects not to exceed five acres in size to assure the maintenance, restoration, enhancement, or protection of habitat for fish, plants, or wildlife. The following four bullets list the criteria for projects to meet Categorical Exemption 15333 as described in the CEQA Statute and Guidelines.

*(a) There would be no significant adverse impact on endangered, rare or threatened species or their habitat pursuant to section 15065*

The proposed project is designed specifically to benefit threatened and endangered fish. The project would improve fish passage and provide higher functioning aquatic and riparian habitat for species that may spawn, nest, forage, or transit the project vicinity.

To the maximum extent possible, temporary and localized impacts to sensitive habitats would be minimized by implementing mitigation measures and construction-related best management practices. Construction will occur during the dry season, minimizing the potential for erosion and any construction-related effects on aquatic species. Additionally, erosion control measures, such as fiber rolls will be installed to further reduce the risk of sedimentation resulting from project activities. Disturbed areas will be winterized and re-vegetated as needed following construction.

The water diversion system has been designed to meet the most conservative approach velocity requirements established by CDFW and NMFS for all life stages of steelhead trout and a screen designed to meet CDFW and NMFS criteria would be installed on the intake pipe to protect against entrainment of fish.

The project does not have the potential to degrade the quality of the environment and would not substantially reduce the habitat or threaten to eliminate a plant or animal community; substantially reduce the number or restrict the range of any endangered, rare or threatened species; or eliminate important examples of the major periods of California history or prehistory.

*(b) There are no hazardous materials at or around the project site that may be disturbed or removed*

The existing dam is concrete and would be demolished, removed, and disposed of at a facility. No other hazardous materials are known to the site or project vicinity.

*(c) The project will not result in impacts that are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.*

The proposed project will not result in impacts that are significant when viewed in connection with effects of past, current, and probable future projects because all such projects comply with requirements of regulatory permits issued for the purpose of protecting natural resources. Overall, the

project would improve fish passage and provide for higher functioning aquatic and riparian habitat. The project would not adversely affect farmland, public services, geologic stability, soils, or health risk. There are no known or planned overlapping projects in the vicinity that would have environmental impacts to which the proposed project would add cumulatively.

*(d) Examples of small restoration projects may include, but are not limited to:*

*(3) stream or river bank revegetation, the primary purpose of which is to improve habitat for amphibians or native fish*

*(6) culvert replacement conducted in accordance with published guidelines of the Department of Fish and Game or NOAA Fisheries, the primary purpose of which is to improve habitat or reduce sedimentation.*

The project would be exempt under the above-cited classifications as it involves restoration of Mindego Creek for the primary purpose of habitat improvement for native fish through removal of an existing fish passage barrier (water diversion infrastructure) to reconnect instream habitat. The project has been designed in accordance with CDFW and NOAA Fisheries guidelines including:

- The channel design approach follows the stream simulation method established by the CDFW and NMFS (NOAA Fisheries). The intent of the design approach is to restore a channel that poses no more of a challenge for the upstream movement of fish than the adjacent channel directly upstream and downstream of the project site.
- The water diversion system has been designed to meet the most conservative approach velocity requirements established by CDFW and NMFS for all life stages of steelhead trout and a screen designed to meet CDFW and NMFS criteria would be installed on the intake pipe to protect against entrainment of fish.

CEQA State Guidelines Section 15300.2 states that a categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. As described above, there are no unusual circumstances surrounding the proposed project that would suggest a reasonable possibility for a significant environmental effect.

## REFERENCES

California Department of Fish and Game. 2009. California Salmonid Stream Habitat Restoration Manual, Part XII. Design and Implementation.

California Department of Fish and Wildlife, K. Capiro. 2017. Alpine Creek Fish Passage Project. The 2017 Fisheries Habitat Restoration Project.

National Marine Fisheries Service Southwest Region. 1997. Fish Screening Criteria for Anadromous Salmonids.

National Marine Fisheries Service Southwest Region. 2001. Guideline for Salmonid Passage at Stream Crossings.

Seymour, G. 2014. Fish Passage Improvements at Memorial County Park, San Mateo County. MND Project.

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**CERTIFICATE OF DETERMINATION  
OF EXEMPTION/EXCLUSION FROM ENVIRONMENTAL REVIEW**

---

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Name of Person, Board, Commission or Department Proposing to Carry Out Project:

San Mateo Resource Conservation District  
Kellyx Nelson  
80 Stone Pine Road, Suite 100  
Half Moon Bay, CA 94019



EXEMPT STATUS:

☒ Categorical Exemptions, Class 3 [CEQA State Guidelines, Section 15333]

REMARKS: See page 3.

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Contact Person: Amy Kaeser      Telephone: (650) 712-7765 x 121

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8/20/2020

Date of Determination

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

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**Amy Kaeser, Conservation Project Manager**  
**San Mateo Resource Conservation District**

**REMARKS:**

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Waterways Consulting. 2017. San Mateo County Fish Passage Assessment Site Visit Summary. Memorandum to Jarrad Fisher, San Mateo County Resource Conservation District, Half Moon Bay, CA.

August 7, 2020

Jill Ekas  
Community Development Director  
City of Half Moon Bay  
Sent via email

**RE: Comments on Draft Land Use Plan Regarding Monarch Butterfly Habitat**

Dear Ms. Ekas;

Thank you for this opportunity to provide input on the development of the City of Half Moon Bay's Land Use Plan. I hope these comments will help prevent the unintended consequence of degrading habitat by protecting eucalyptus and Monterey Pine trees.

Eucalyptus and Monterey Pine trees are invasive species that are generally understood to negatively impact biological diversity, food and forage for native wildlife, and soil health that forms the foundation of a healthy food web. Furthermore, eucalyptus can contribute to accelerated erosion, sedimentation in creeks that impairs spawning habitat for federally threatened steelhead trout, depleted water resulting in compromised stream flows, and increased risk of severe wildfire. Preserving invasive species should not be an objective of the Land Use Plan.

While it is true that limited stands of these trees in Half Moon Bay are used by monarch butterflies (Table C-1 in the draft), please note that (a) this is only true in very limited locations, not generally; and (b) the quality of habitat for monarchs is not as good as the habitat provided by native trees. In the Plan, please consider:

- not making any general statement that might infer that eucalyptus or Monterey Pine provides valuable habitat; and
- improving the habitat description in Table C-1 by adding a statement that these are non-native invasive species that supplant native habitat and interrupt healthy ecosystem function, and these species are not the only or best habitat for monarch butterflies.

The Xerces Society, a preeminent science-based nonprofit organization that protects wildlife through the conservation of invertebrates and their habitats, issued a report in 2017 entitled "Protecting California's Butterfly Groves: Management Guidelines for Monarch Butterfly Overwintering Habitat<sup>1</sup>."

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<sup>1</sup> [https://www.westernmonarchcount.org/wp-content/uploads/2014/11/2017-040\\_ProtectingCaliforniaButterflyGroves.pdf](https://www.westernmonarchcount.org/wp-content/uploads/2014/11/2017-040_ProtectingCaliforniaButterflyGroves.pdf)

The report was developed with the support of US Fish and Wildlife Service and the Monarch Joint Venture, a partnership of federal and state agencies, non-governmental organizations, businesses and academic programs working together to protect the monarch migration across the United States. The report recognizes the harms to ecosystems caused by eucalyptus, that there are better trees for monarch butterflies, and that it is ultimately desirable to remove eucalyptus and replace them with native trees:

*Eucalyptus are exotic invasive species and have been shown to reduce biodiversity (Bossard et al. 2000). Removal of eucalyptus is often a restoration goal in natural areas, and conflicts can emerge between monarch habitat conservation and eucalyptus removal. Recent studies suggest that monarchs do not prefer eucalyptus trees to native tree species (Griffiths and Villablanca 2015), so restoration of overwintering sites with native tree species should be the long-term aim. This work, however, can take decades because many of California's native conifers are relatively slow-growing. Consequently, removing eucalyptus at overwintering sites should be done in phases while native trees are planted so that viable monarch habitat will be continually present (Lane 1993).*

Thank you for this opportunity to provide these comments and please do not hesitate to contact me regarding these comments or any assistance the Resource Conservation District may be able to provide.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kellyx Nelson', with a stylized, flowing script.

Kellyx Nelson  
Executive Director

# RCD repairing stream crossing in Pescadero Creek Park

## Dark Gulch project on track

- By Sarah Wright

Much-needed improvements are underway for Old Haul Road in Pescadero Creek Park. It's a partnership between San Mateo County and San Mateo Resource Conservation District, partly funded by the State Water Resources Control Board, and aimed at repairing decades-old stream crossings that are unstable and depositing potentially harmful sediment into the creek.

Construction on this year's project, which kicked off in May, repairs a major crossing over tributary "Dark Gulch," and is on track to be completed by October. RCD Project Manager Sara Polgar said there weren't any major delays due to COVID-19.

Old Haul Road serves as the major artery through Pescadero Creek Park, providing recreation and emergency access to the nearby forest. County Natural Resource Manager Hannah Ormshaw said the road also can act as a fire break if a conflagration were to threaten the area.

But the road itself was built in the mid-19th century, and many of the original structures, including the wooden "Humboldt Crossings" over tributaries, remain. Polgar said these structures are not only becoming unstable, but the materials used to build them are leaching into the water at about 600 cubic yards per year, threatening the nearby creek and ecosystem.

"Whenever Old Haul Road has erosion issues, it's likely to be affecting Pescadero Creek," Polgar said.

The Dark Gulch project takes out the original structure and replaces it with a pipe to direct water safely under the road without interacting with passing cars or other disturbances, which Ormshaw said will last 50 years, if not a century. It's nearly 100 feet down to the bottom of the gulch, Polgar said, a fact that makes the project more difficult. And on top of that, the endangered marbled murrelet sea bird nests nearby in the old growth trees, so project

planners worked with U.S. Fish and Wildlife to install speakers projecting construction noise during nesting season to create a consistent environment for the protected birds. Ormshaw said it was the first time she knew of this technique being used in the county.

"The wildlife experts were able to tell us to do this so you can ensure you're not creating a disturbance," Polgar said. "We don't want them to abandon a nest."

The RCD worked on two similar but much smaller crossings in prior years. Ormshaw said their streamlined coordination on prior projects helped teams organize and plan for the much bigger undertaking that is Dark Gulch. There are a few more crossings that need repairing along Old Haul Road, Polgar said, but none as large or complicated as Dark Gulch.

The road has been closed for the duration of the project this summer, and users have been encouraged to take alternate trails. Both Ormshaw and Polgar said the need to improve the crossing was immediate, and not just because CalFire depends on it for wildfire access. If the old structure failed, it would have deposited 38,000 cubic yards of material into Pescadero Creek and have irreparable environmental effects.

"There's always a chance of catastrophic failure, and that would be really bad," Polgar said. "That would destroy the creek habitat downstream and probably take out infrastructure."



**Resolution 2020-5****RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO RESOURCE  
CONSERVATION DISTRICT AUTHORIZING SUBMITTAL OF APPLICATIONS FOR ALL  
CALRECYCLE GRANTS FOR WHICH SAN MATEO RESOURCE CONSERVATION DISTRICT IS  
ELIGIBLE**

WHEREAS, Public Resources Code sections 48000 et seq. authorize the Department of Resources Recycling and Recovery (CalRecycle) to administer various grant programs (grants) in furtherance of the State of California's (state) efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the application, awarding, and management of the grants; and

WHEREAS, CalRecycle grant application procedures require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants.

NOW, THEREFORE, BE IT RESOLVED that the San Mateo Resource Conservation District Board of Directors authorizes the submittal of the application to CalRecycle for all grants for which San Mateo Resource Conservation District is eligible; and

BE IT FURTHER RESOLVED that the Executive Director or her designee is hereby authorized and empowered to execute in the name of the San Mateo Resource Conservation District all grant documents, including but not limited to, applications, agreements, amendments and requests for payment, necessary to secure grant funds and implement the approved grant project; and

BE IT FURTHER RESOLVED that these authorizations are effective for five (5) years from the date of adoption of this resolution.

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Barbara Kossy, President

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Date

## RESOLUTION 2020-6

### EXPRESSING APPRECIATION OF AND GRATITUDE FOR NEAL KRAMER

**Whereas** the San Mateo Resource Conservation District is a special district organized under Division 9 of the California Public Resources Code with an original petition granted on July 1, 1939;

**Whereas** RCD directors play a vital role in the protection and improvement of local natural resources as representatives of their communities and provide accountable leadership to the district;

**Whereas** Neal Kramer has served as a director of the district for approximately eleven years, and during his tenure with meaningful contributions of his leadership the RCD revitalized its role as a local hub for natural resource conservation;

**Whereas** Neal Kramer has brought calm, thoughtful intelligence to discussions and decisions and has approached challenging situations with tact, diplomacy, kindness, and personal integrity while remaining focused on the integrity and accountability of the district; and

**Whereas** he has been a resource to RCD staff as a technical expert in botany, has voluntarily served on committees of the Board of Directors, and has represented the Board of Directors to multiple district conservation initiatives;

**NOW THEREFORE BE IT RESOLVED** that the San Mateo Resource Conservation District Board of Directors expresses its appreciation and gratitude to Neal Kramer for his leadership and support of our mission that has resulted in significant resource conservation in coastal San Mateo County.

**ADOPTED** at a regular meeting of the Board of Directors of the San Mateo Resource Conservation District on August 20, 2020.

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Barbara Kossy, President

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Date

### Memorandum

Date: August 20, 2020  
To: Board of Directors  
From: Kellyx Nelson  
Re: Recommendation to Contract with Triangle Properties, Inc. for San Bruno Mountain Lower West Peak Restoration Project

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RCD staff recommends contracting with Triangle Properties, Inc. for \$138,744.00 for vegetation management services for the San Bruno Mountain Lower West Peak Restoration Project.

The San Bruno Mountain Lower West Peak Restoration Project will restore and enhance habitat on the Lower West Peak of San Bruno Mountain State and County Park for the benefit of the endangered mission blue butterfly (see Figure 1 for Project Location Map). PG&E provided funding to the RCD for managing habitat for the benefit of mission blue butterfly, and this project project is a mitigation credit area for PG&E for mission blue butterfly under PG&E's Bay Area Habitat Conservation Plan. The scope of work includes weed and brush management, seeding and native plant installation across 5 acres, and five years of as-needed vegetation management across 7 acres to ensure restoration goals are maintained (see Figures 2-4 for site photos).

A Request for Bids (RFB) was distributed to five qualified firms via email and posted on the RCD's website on February 14, 2020. Three firms attended a mandatory pre-bid site tour on March 2, 2020. Triangle Properties was the only firm to submit a bid; the bid was complete and the firm is currently registered with the California Department of Industrial Relations, a requirement for this public works project.

RCD staff recommends contracting with Triangle Properties for the following reasons:

- The firm has past success implementing similar vegetation projects.
- The firm has a comprehensive approach to vegetation management and meeting restoration thresholds.
- The firm has experience working on mitigation projects concerning special-status species.

Figure 1. Project Location





**Figure 2. 5-acre Lower West Peak BAHCP Credit Area (facing southwest)**



**Figure 3. 5-acre Lower West Peak BAHCP Credit Area with the 2-acre ID-51 site is the distance at top left (facing northeast)**





**Figure 4. Planting Area at 2-Acre ID-51 Site**



## **Environmental Purchasing Policy**

Adopted August 20, 2020

The goal of this policy is to further align the purchases of the San Mateo RCD with the mission of environmental protection. As such, the San Mateo RCD will encourage and increase the use of environmentally preferable products and services by including environmental considerations in procurement decisions. By including environmental considerations in procurement decisions, San Mateo RCD can promote practices that improve public and worker health, conserve natural resources, and reward environmentally conscious manufacturers, while remaining fiscally responsible. San Mateo RCD shall purchase recycled and other environmentally preferable products whenever practicable. This includes products that are made of recycled content, durable, reusable, and recyclable, biodegradable and non-toxic, and energy and water efficient. Nothing contained in this policy shall be construed as requiring San Mateo RCD or its contractors to procure products that do not perform adequately for their intended use or are not available at a reasonable price in a reasonable period of time.

# Executive Director Report

Meeting of the Board of Directors of the San Mateo RCD  
August 20, 2020

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# CZU Lightning Fire Complex

- Impacts
  - Staff losing homes, loved ones losing homes
  - Projects diverted
  - Projects ruined
  - Projects uncertain
  - Kingfisher Hatchery coho broodstock
- Actions
  - Sent letter offering services to community and partners
  - Pivoting to meet new community priorities
    - Recording emergency announcements in Spanish for KPDO, local Pescadero radio station.
    - helping connect animals with ranches and homes
  - Utilizing our crews on Old Haul Road at Dark Gulch for road building for fire fighting
  - Reaching out to RCDs experienced with fire: Sonoma, Napa, Mendocino
  - Coordinating with others

# Reflections from Staff Meeting

*We acknowledge this moment in which we are scared, feeling doom, profoundly sad, and experiencing tremendous loss. 2020 sucks and we are ready for it to end.*

*The RCD sees us and supports us as whole people. It is part of our magic that we bring our whole selves to our work. The leadership of the RCD, including Kellyx, the Board, and each person on staff, cares about each of us as individuals.*

*Fundamentally we are a service agency, not just an environmental organization and we are in the relationships business. During this time of need, our services may need to adjust rapidly. We may need to pivot from the work we have been doing to work that helps the community we serve recover from fire.*

*We are action oriented. We want to help. We want to be productive. We want to know what to do to help, and we want to be supported in our work to help others.*

*We recognize that this is a heavy load for Sheena, who is relatively new to the organization managing our newest program- fire resilience and forest health- and finds herself squarely at the center of a major crisis and focus of our work. We are supportive of her and she is not alone in her work.*

*We know there is an end to this and that we will come out on the other side. We can see metaphors in the natural world about rebirth, renewal, and opportunity coming out of chaos. We will try to find that opportunity as we help heal the community by healing the land.*

*We have many ideas about services and assistance we can offer during emergency response and afterwards to help recovery. We will build a list of our service, resources, and expertise and send it out to partners and constituents. We will continue to offer our services while not being tone deaf when people have more immediate needs and concerns.*

*And this from Kellyx: I commit that we will find a path through. I am in your corner, and I am tenacious.*

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*“... for the Black and brown members of the RCD family: we see you. We hurt alongside you. You are members of our community. You are members of us. We are all together. We are here for you.”*

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The racially disparate effects of COVID-19 and the on-going protests for the human rights of Black Americans have forced white America into an uncomfortable reckoning with its racism. As an organization, CARCD and its Board would be remiss not to acknowledge the history of

systematic racism, and the coalescence of current events that has formed this unique moment in time for the Black and brown members of the RCD family: we see you. We hurt alongside you. You are members of our community. You are members of us. We are all together. We are here for you.

We recognize that this statement may offend some of you. We understand that a certain part of the population simply does not believe in the value of brown and Black people. If this is you, we see you, too; we get it; we aren't going to change your mind, and therefore have no intention to try.

But if you believe, fundamentally, that the brown and Black people in your RCD family have value; if you believe that your friends and family that happen to be brown or Black have value; and if you believe that the people of color in your community have value, then please continue to read. Even if you think that “it” (the protests) has gone too far, and that “they” (the protesters) are expressing themselves in ways in which you don't approve. Even if their politics aren't yours. Even if (especially if), what is occurring today makes you feel uncomfortable, then let's talk about what this moment means to us as an RCD community.

CARCD is a proud part of the RCD community, and we believe in that community's values and mission. We believe in the RCDs ability to provide the type of strong, locally-led action that has accomplished amazing feats through the tried-and-true formulation of recognizing a need, developing an idea, and putting in a whole lot of hard work. We have witnessed it happen time and time again in stream restoration projects, community gardens, irrigation programs, healthy soils projects, and fuel breaks. The work you do for your communities is tremendous. You are true servant-leaders to your communities.

Yet now, as a community, we need to turn our time and talents towards

another type of restoration. While we have been focused on building better communities, we are simultaneously confronted by the images of pain, frustration and resolve from our brown

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*“CARCD is a proud part of the RCD community, and we believe in that community's values and mission. We believe in the RCDs ability to provide the type of strong, locally-led action that has accomplished amazing feats through the tried-and-true formulation of recognizing a need, developing an idea, and a whole lot of hard work.”*

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and Black members. In this historic moment, we are seeing the veil pulled back from our illusions. We are witnessing the inadequate bandage of polite discourse ripping off the deep, long, dark wounds of racism and inequity, exposing those still bleeding inflictions to the air of public acknowledgement. We are seeing, and becoming aware of on a visceral level, the inequality, the suffering, and the outrage at how members of our community--our family--have been treated for decades, for centuries, for lifetimes. While these exposed wounds may make us squeamish, we are also feeling the need to prevent further infection to this wound--our wounds--and to begin the process of healing.

However, as a board and staff, we have struggled with our sense of identity and purpose in this type of restoration project. If we love our communities, how can we admit that there is racial injustice and inequality in them? We feel embarrassed; even if we don't know exactly how (because it is easier to dismiss than to ask), we know that we are part of the problem. We feel confused and overwhelmed; we know that historically, our families have profited from racism and social injustice, and that we were born with privilege, but we can't always explain how this privilege played out specifically in our lives. We feel guilty; implanted with the seed of doubt that perhaps maybe we aren't really as good as we thought. We feel ashamed; we know that at times we personally have said and done things that we know were steeped in racism, even if we can't remember what we said or did. We feel the pain of the brown and Black members of our community, and we feel overwhelmed and powerless, guilty and heavy. We are awash with emotions.

What is the easiest answer? Tune it all out. Lash out with anger, fear, and more than just a pinch of shame. Say and do anything, everything, just to make it go away: turn the channel, look at something else, not deal with it. Of course, as we already know, this will just make it worse. Maybe that's the point.

Fortunately, we also know our RCD family has never shied away from a challenge. We know that each of you overcomes huge obstacles every day to make difficult conservation happen, to make the impossibility of agriculture happen, and to build a stronger community of which you can be proud. Let's not shy away from our role in our community now because this challenge is supposedly and conveniently outside our wheelhouse. That has never stopped us before. We have always found a way, and this type of restoration is far more crucial than that of a stream bed.

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In this light, the answer to the question embedded in this moment is relatively simple: we approach this as we have always approached our mission. We start by saying, "We can figure this out; we have to," and as a community, as a family, we do just that. We pull everyone to the

table, and have the necessary, unpleasant conversations, because we value each other and the work to be done more than we value our own need for ease and comfort. We scour for every dime, nickel, and penny; we fall back on our gumption, and we make it happen, sometimes through sheer force of will. For us, that will to action starts here, and it starts now.

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*“... that will to action starts here, and it starts now.”*

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- First, we have to admit that we contribute to the problem and that we contribute to it every day. We do. Each of us does. We all do. Our desire to not feel embarrassed, not to feel ashamed, cannot be greater than how we value our Black and brown family. We can't hide from the embarrassment; we just need to admit it.
- Second, we have to commit to wanting to solve the problem. Not in the future, not in the abstract, but right here and right now we need to ask ourselves how can we (how can I), do a little bit better? Not as an initiative, as a short term fix, or part of a to-do list, but as a philosophy, as a way of being, as an embodiment of change we commit to making every day. Where we are today was centuries in the making; we will have to slow-walk our way out with a sense of purpose and intention.
- Third, and perhaps most importantly right now, we have to listen and be okay with the discomfort that arises from listening. In listening, we have to open up our hearts and minds to the pain of the brown and Black members of our family and community. When listening feels uncomfortable and unpleasant, we have to be okay with that and listen anyway. When it hurts to hear their suffering (somehow it can even make us feel offended and aggrieved personally), we have to be okay with that and listen anyway. When we want to run, we have to stop ourselves and listen.

If we commit to sit and stay in the uncomfortable tension that this historic moment has framed, caught between our personal dis-ease and our love for the Black and brown members of our RCD family, then we will find a way to do a little better, be a little better, and take the first steps in changing our role within our community.

CARCD stands with the brown and Black members of our communities and families. We call you to do the same. Don't look to them for answers, but listen to their experiences. Don't try to solve their problems, but hear their pain, their hope and their suffering. Don't project your sense of uneasiness onto them as their pathology, but look to that discomfort within yourself to see where you add to their dis-ease. From the friction of this tension, an awakening, an awareness and an insight will flicker, flutter and alight as a flame of justice, of equity, of

restoration; the same flame of passion that burns in our work to build communities in other ways every day.

Of course, this is just the beginning of the long road ahead. While we as a board and staff are working on this, we are struggling to find our voice. This is the reason why it has taken so long for us to formally speak. We are a predominantly white organization. We are steeped in a 75 year history of a mostly white membership with all the limitations that includes. What we have built over the years has been based, to a large degree, on our whiteness. We are mostly white leaders trying to reconcile our worldview with what is needed by the Black and brown members of our community (as invisible as they are to us sometimes). Despite our awkwardness, we are trying to take steps forward. We hope that you will join us in this effort. We hope that you will join us for the love of your entire community, for the love of your entire family, and for the hope that no brown or Black person will ever be crushed under the heel of an unjust system again.

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“... this is just the beginning of the long road ahead.” ‘... we are offering a space to grow as a community. Please join us in a series of conversations ...”

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While the CARCD board and staff is learning and growing, we are offering a space to grow as a community. Please join us in a series of conversations in addition to tools and resources that we are unrolling in order to create the spaces for our community to recognize, to heal, and to restore. It is a monumental, and difficult task; it is a good thing that a little hard work has never bothered RCDs before, and it shouldn't now.